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INTRODUCTION

HAVEN Inc. entered into contract numbers DV-00-63001, RPS-00-63001, STOP-00-63001, COUN-00-63001, and DVPT-03-63001 with the Michigan Family Independence Agency (FIA). These contracts required HAVEN Inc. to provide emergency shelter, 24 hour hotline, crisis, support, group counseling, direct emergency intervention, follow-up support counseling, ongoing support and advocacy, community education, crisis intervention, legal advocacy, individual, family, and group counseling services for victims of domestic violence and sexual assault, and training for police, prosecutors, advocates and court personnel. HAVEN Inc. was reimbursed for actual costs incurred for the DV, STOP, and RPS contracts, and for units of service provided for the COUN contract, through submission of monthly billings to FIA. The DV, STOP and RPS contracts totaled \$531,638.90. The DV, STOP, RPS, and COUN contracts covered the period October 1, 2001 through September 30, 2002. The DVPT contract totaled \$530,639 for the period October 1, 2002 through September 30, 2003.

In addition, HAVEN, Inc. entered into contracts with the Crime Victim Services Commission through the Michigan Department of Community Health(DCH) to expand and enhance local services available to crime victims; and with the Michigan State Housing Development Authority(MSHDA) to provide services for homeless or at-risk populations in Oakland County and assist eligible women who are survivors of domestic violence. The DCH contract totaled \$453,754 for the period October 1, 2001 through September 30, 2002 and \$470,463 for the period October 1, 2002 through September 30, 2003. The MSHDA grant agreement totaled \$33,511 for the period June 1, 2001 to May 31, 2002 and \$33,511 for the period June 1, 2002 through May 30, 2003.

SCOPE

The Office of Internal Audit performed an audit of HAVEN Inc. to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and other relevant documentation, in accordance with the terms of the contracts. Our audit covered the period October 1, 2001 through December 31, 2002.

EXECUTIVE SUMMARY

Based on our audit, we conclude that HAVEN Inc. has over and under billed costs for the DV, STOP, RPS, COUN and DVPT contracts. The VOCA contract expenses were properly billed, and the MSHDA contract was underbilled in salaries and overbilled for other expenses. However, no dollar adjustment was necessary in any contracts because the overall expenses exceeded the amount allowable under each of the contracts.

AGENCY RESPONSE

The management of HAVEN, Inc. has reviewed all findings and recommendations included in this report. They indicated in a telephone conversation on June 10, 2003, that they are in general agreement with the report and have implemented corrective action.

FINDINGS AND RECOMMENDATIONS

Fiscal Year 2002

All Contracts

Salaries

1. HAVEN, Inc. did not properly document employees' time and activity for each of the contracts per federal requirements. The timesheets the employees prepared had a separate line to record time worked on the VOCA program, but did not have separate lines to report hours worked on each of the other programs. Employees working 100% on a contract did not indicate on their time sheet that all of their time was spent on that program. Employees

who worked on more than one program did not report their time by hours spent per contract and activity.

WE RECOMMEND the Service Delivery Administration instruct HAVEN, Inc. to properly document employee time and activity in accordance with federal requirements.

General Ledger

2. HAVEN, Inc. did not have expenditures in the general ledger properly allocated by contract type for the period October 1, 2001 through December 31, 2002. The expenses were not recorded by grant and were not properly allocated to each program. Expenses not allocated by contract do not provide the necessary audit trail for management to monitor expenses or bill grantor agencies for expenses incurred for their programs.

WE RECOMMEND the Service Delivery Administration instruct HAVEN, Inc. to develop a general ledger that documents expenses by grant, and properly allocates costs to each of the programs.

Contract #DV-00-63001

Supplies

3. HAVEN Inc. overbilled FIA \$224 for supplies due to an invoice being paid twice. HAVEN Inc. incurred allowable salaries cost that was not billed to FIA which would offset the amount overbilled. Therefore, no dollar adjustment is necessary.

WE RECOMMEND that Service Delivery Administration instruct HAVEN Inc. to implement procedures to prevent invoices from being paid twice.

Case File Review

There were no exceptions noted for the 15 case files reviewed.

Contract #STOP-00-63001

Supplies

4. HAVEN Inc. overbilled FIA \$290 for supplies due the computer equipment purchased being overcharged to the STOP grant. HAVEN Inc. incurred allowable salaries expenses that were not billed to FIA which would offset the overbilled amount. Therefore, no dollar adjustment is necessary.

WE RECOMMEND the Service Delivery Administration instruct HAVEN Inc. to properly allocate equipment costs to each of the programs.

Case File Review

There were no exceptions noted for the 11 case files reviewed.

Contract # COUN-01-99393

Units of Service

5. HAVEN Inc. underbilled FIA for 35 units, due to not having a procedure in place to properly document units of service provided. The monthly billing report is prepared from the counselors' case notes, which contain start and stop times and the duration of the session. In two of the 15 cases we reviewed, the start and stop time and duration of the counseling session was not documented in the case notes. The counselor's appointment book did however, indicate the time and duration of the counseling session. Also, three case files had underbilled units and 1 casefile had overbilled units due to the units provided not being properly billed from the information recorded in the case notes. Having a

procedure in place to properly document and bill the units of counseling sessions each month would ensure the monthly billings are accurate.

WE RECOMMEND that Service Delivery Administration instruct HAVEN Inc. to implement a procedure to accurately document the units of service provided.

Contract # MSHDA – Grant/Contract Vendor#HML-2001-5670

Operating Expenses

6. HAVEN Inc. overbilled MSHDA \$177.25 for Operating Expenses due to an invoice being paid twice. HAVEN Inc. incurred allowable salaries expense that was not billed to MSHDA that would offset the overbilled amount. Therefore, no dollar adjustment is necessary.

WE RECOMMEND that MSHDA instruct HAVEN Inc. to implement procedures that would prevent invoices from being paid twice.